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FISCAL IMPACT STATEMENT

LS 7425

BILL NUMBER: HB 1461

NOTE PREPARED: Jan 8, 2009

BILL AMENDED:

SUBJECT: Collective Bargaining for School Employees.

FIRST AUTHOR: Rep. Kersey

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill creates a meet and confer provision for noncertificated school employees.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could lead to additional expenditures by local governments due to negotiated contract settlements that are over and above what might have been granted by the units without the requirement to meet and confer. However, the extent of any impact is unknown.

Background: There are various forms of negotiating processes between employers and employees, ranging from a requirement to meet and confer, to collective bargaining with binding arbitration. The resulting impact on wage and salary levels and other conditions of employment can vary, as well, depending on the rules and procedures under which the negotiation is required to take place.

This bill allows employees to solicit membership in and join an employee organization and to have dues deducted from employee wages and submitted to the recognized representative. It also allows an election to be conducted for the purpose of determining an employee representative. The bill also affirms the rights of employers in the directing the work of employees, while also imposing certain limitations on employers with

respect to actions toward the employees and their elected representative.

This bill also imposes certain obligations on the employer to meet and confer in good faith with the employee representative to discuss issues and proposals regarding wages, hours of employment, and other conditions and terms of employment. However, under certain specified conditions, the employer may also elect to terminate its duty to meet and confer. The impact on wages, salaries, and other conditions of employment is unknown and can vary between local units.

According to the Indiana School Boards Association, around 42 of the school corporations currently participate in collective bargaining with their noncertificated employees. The approximate payroll of noncertificated school employees in Indiana for FY 2008 was about \$1.4 B.

Since about 90% of school general fund budget revenue is funded through the state tuition support school formula, the additional wages and benefits negotiated with employees as a result of meet and confer may not result in increased local revenue. Instead, increased personnel costs may force reallocations from other areas in the school budget or result in a greater demand for state funds.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local schools.

Information Sources: Department of Education financial reports.

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